



People don't care what you know until they know how much you care.

## SPOTLIGHT On Contracting Activity Small Business Specialists

by Gail Wegner



## NOTES FROM SCOTT

Scott F. Denniston, Director

Federal and VA small business programs are undergoing rapid change. New programs are being introduced. Established programs are being retooled. Reporting requirements are changing. For these reasons, it seems a good idea to re-introduce the OSDBU Update. Thanks to improving technology, we'll be distributing this newsletter electronically. We want to make the Updates a useful resource for you, VA employees who make the decisions on how and where we spend VA's dollars. Each month, we hope to share with you success stories from across the system to help you in planning your future requirements. If you've got requests or suggestions, send them to us, via email, by phone to (800) 949-8387, by fax to (202) 565-8156 or via OSDBU's Intranet Website.

The strength of VA's small business program lies with our employee's pursuit of excellence in every area of service to our nation's veterans. In this issue, we recognize the facilities that re-

ceived awards for their socioeconomic program achievements and highlight the work of one of VA Small Business Specialists, Joan Van Middlesworth. You may see yourself in her story. We're proud of Joan's accomplishments. We're especially proud of the employees in our award winning networks and facilities, and for the community work done by one of OSDBU's own, Ramsey Alexander. There's no better way to kick-off the new OSDBU Update than by showcasing outstanding VA talent. Congratulations to all of you.

From time to time, our newsletter will highlight positions within the Department which are critically important to the success of VA's small business programs. One of these positions is the **Small Business Specialist (SBS)**. In VA, this assignment is made in addition to the employee's other responsibilities. Because of this, VA seeks small business specialists who volunteer for the assignment. VA's Acquisition Regulation requires the designation be made in writing and a copy be provided to the Director, OSDBU. The SBS is often the **first** VA official with whom a businessperson comes in contact. Therefore, attitude and customer orientation are vital in developing the business relationship with the potential trading partner. The SBS:

Ensures the contracting activity takes necessary actions to implement socioeconomic programs.

Advises and assists contracting and program personnel on all matters which affect small businesses.

Aids, counsels and assists small businesses by providing:

Advice concerning acquisition procedures;

Instruction on preparation of proposals in the interpretation of standard clauses, representations and certifications;

Information regarding proposed acquisitions; and

Information about the facility's purchase card program.

Maintains an *outreach program* (including participation in Government and industry conferences) designed to locate and develop information on the technical competence of small business, small disadvantaged business (including tribally-owned and Native American-owned concerns), women-owned, and veteran-owned small businesses.

Ensures that financial assistance, available under existing regulations, is offered; assists small business concerns in obtaining payments, late payment interest penalties or information on contractual payment provisions.

Provides assistance to contracting teams in determining the need for and

## Small Business Specialist Article

acceptability of subcontracting plans and assists contracting teams in evaluating, monitoring, reviewing, and documenting contract performance to determine compliance with subcontracting plans.

Monitors performance against the goals and recommends action(s) to correct reporting errors/deficiencies.

Recommends to the head of the contracting activity whether specific requirements should be set-aside for small businesses in whole or in part or whether the acquisition is suitable for the 8(a) program.

Receives and reviews justification from the contracting officer concerning withdrawal of a small business set-aside. Should the SBS determine that the withdrawal is not supported, provides information to the SBA/Director, OSDBU. (Note: procurements below \$100K are exempt from this procedure).

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### Small Business Specialists!!

**Have a story to share, information to pass on??**



**Contact us with your highlights. Pass on your hard-earned knowledge to your colleagues in the field.**

## Featuring - *Joan Van Middlesworth*



Small  
Business  
Specialist  
Ordinaire

Busi-  
ness  
Specialist  
Extraordinaire

by Gail Wegner

**Ms. Joan Van Middlesworth, Chief of Acquisition at VAMC Washington, D.C (VISN 5)** is one of VA's many small business specialists. Ms. VanMiddlesworth is a career VA employee who served in Baltimore, Maryland and Martinsburg, West Virginia before reporting to Washington, DC in 1991. Since that time, she has developed an acquisition staff who are firmly committed to locating new small business partners and successfully teaming them with VA program officials. Because of the station's proximity to VA Headquarters, Joan's staff are often called upon to represent the Department at numerous trade fairs and speaking engagements in addition to serving as a training facility for Central Office employees. The Washington, D.C. staff provide a wonderful learning lab for new VA acquisition personnel because of their conscientious dedication to customers. Such cooperation is not possible without strong support from the facility's executives, Logistics Officer **Kaiser Braham** and Director **Sandy Garfunkel**.

As a result of her team's comprehensive efforts, the Washington, D.C. medical center has received numerous awards from the Office of the Secretary for small business program accomplishments. Ms. Van Middlesworth reports these awards are prominently displayed in the Acquisition Office, with copies of the accompanying letters from the Secretary provided to every Acqui-

sition Service employee. She recommends these be placed in the employee's Official Personnel Folder and that the individuals share the good news with friends and family.

How did she create such a successful program? Besides surrounding herself with talented people, Joan offers the following tips:

Plan Your Improvements: The VAMC Washington, D.C. team decided several years ago that they wanted to improve 8(a) Business Development Program Performance. With this goal in mind, they worked closely with the Small Business Administration to locate 8(a) vendors and then see how those firms could meet VA needs. The result is the facility's 8(a) program has matured and now most 8(a) awards arise from self-marketing efforts. Because this goal category is stable, the facility acquisition team is now free to concentrate on other programs.

Solicitation Mailing Lists Are Not Enough: A good SBS must *talk with* and *listen to* every vendor. Don't just tell them to send you a SF129. Also, "Never Say Never" says Joan. If VA is not currently purchasing that vendor's products or services, ask them for a catalog or other reminder of their business. She keeps them on file. With VA changing its business methods, Joan has often used those memory joggers, in some cases doing business long after the initial encounter.

Get the Word Out: She publicizes the weekly vendor day throughout the facility and at the trade fairs her staff attends. This drop-in time is available for anyone to talk with acquisition personnel and ask questions, including VA program officials.

## Joan Van Middlesworth

Once vendors are identified, all staff must be aware of vendor classification and ownership changes. She suggests that purchasing agents and contract specialists make announcements in office staff meetings so that all personnel know about the changes. This reduces coding errors on FPDS. She also uses these meetings to recognize employees for above-and-beyond work in support of the programs, such as finding a new veteran-owned firm and getting a purchase order to them. Don't forget to use this opportunity to discuss ownership changes which may erode the facility's ability to make goals. When this happens, often because of mergers, the acquisition team must be prepared to shift business alliances or locate new vendor sources to fill the gap.

Don't Forget the Details: A successful program requires regular monitoring. This means reviewing the FPDS reports for accuracy, identifying and fixing discrepancies, and ensuring the facility is capturing all necessary data, including nursing homes, prosthetics, Adult Day Care and fee basis transactions. This process involves educating program offices about the importance of keeping acquisition informed about their budgets and purchasing practices. Joan, like many of VA's Small Business Specialists, began her career using manual reporting methods. Naturally, she's a BIG fan of IFCAP because it is such a time saver.

Sometimes Screaming Helps! One final tip - when the numbers are down and making goal looks questionable, scream a lot. It gets people's attention and usually gets things turned around.

With Joan's lead as the facility's Small Business Specialist, the acquisition staff at Washington, D.C. have been such strong advocates for socioeconomic procurement programs that the OSDBU staff sometimes screams - **We Need More Joans!!** Thanks Joan and thanks everyone who works in Washington, DC for your support and cooperation in this ONE-VA Program!

## HUBZONE Empowerment Contracting Program Effective January 1999

by Deborah Van Dover

**Important:** The Federal Register final rule dated June 11, 1998, stated this program would take effect on 9/8/98. This has been changed. Now, second quarter FY 99 is the expected start date.

Framework - DOL determines Historically Underutilized Business Zones. SBA maintains a list of HUBZone small business concerns, updated annually. Firms must hire 35% of their workforce from within the zone and maintain this level throughout contract performance.

Sole Source - can be up to \$5M for supplies, \$3M for services if contracting officer determines that there is no reasonable expectation of competition from other HUBZone small business concerns and award price will be fair and reasonable.

HUBZone small business set-aside - if the contracting officer expects offers from not less than 2 qualified HUBZone small business concerns and award is made at a fair market price. SBA may appeal a CO decision not to award a HUBZone requirement.

Price Evaluation Preference - In full and open competition, a qualified small HUBZone offeror's price shall be deemed as lower than the price offered by another offeror (other than another small business), if the price offered by the qualified HUBZone small business is not more than 10 % higher than the price offered by the otherwise lowest, responsive and responsible offeror.

Relationship to Other Preference Programs - JWOD/FPI, HUBZONE 8(a), other 8(a), HUBZone Set-Aside, HUBZone Sole Source, Small Business Set-Aside, Other.

Procurement Goals - 1% of total procurement in FY 1999, gradually increasing until FY 2003 where it caps at 3%.

Timeline - 10 agencies including VA, are participating until 9/30/2000. SBA Administrator must report to Congress by 3/1/2002 the impact the program has had on HUBZone areas.

# FY 1997 Socio-economic Award Program Honorees

by Ilene Waggoner

Secretary Togo D. West Jr., as well as the Office of Small and Disadvantaged Business Utilization (OSDBU) congratulates the following procurement activities for their achievements for Fiscal Year 1997. First place awards are being presented to: **VISN 11 for awards to Small Business, the 8(a) Program and Minority Business Enterprise, VISN 5 for awards to Minority-owned and Veteran-owned Small Business, VISN 16 for awards to Women-owned Small Business, VISN 14 for awards to Vietnam Era Veteran-owned Small Business and VISN 22 for awards to Disabled Veteran-owned Small Business.**

The Secretary's Socioeconomic Awards Program was established in 1987. The purpose of this program is to provide an incentive to achieving established socioeconomic goals by rewarding those activities which achieve the highest percentage of their assigned goals.

The following facilities have achieved first place in the following categories: **Grand Island, Nebraska** in awards to Small Business, Veteran-owned and Vietnam Era Veteran-owned Small Business, **San Juan, Puerto Rico** in awards to Minority-owned Small Business; **Indianapolis, Indiana** in awards to the 8(a) Program and Minority Business Enterprise; **Fayetteville, Arkansas** in awards to Women-owned Small Business, and **Las Vegas Nevada** in awards to Disabled Veteran-owned Small Business. Mr. Heyward Bannister, White House Liaison and Mr. Scott Denniston, Director, Office of Small and Disadvantaged Business Utilization have presented award plaques at the individual medical centers. The plaques were presented to medical center directors and the medical center procurement staff.

The following facilities received awards from the Secretary for meeting all of their goals for Fiscal Year 1997: **Butler, Pennsylvania; Coatesville, Pennsylvania; Washington, DC; Fayetteville, North Carolina; Birmingham, Alabama; Tuscaloosa, Alabama; Leavenworth, Kansas; Jackson, Mississippi; Las Vegas, Nevada and Montgomery, Alabama.**

**The Veterans Benefits Administration** had outstanding achievement in awards to Small Business and to Minority Business Enterprise, and the **Office of the Assistant Secretary for Human Resources and Administration, Resources Management Division** had outstanding achievement in awards to Minority-owned, Women-owned, Veteran-owned and Vietnam Era Veteran-owned Small Business.

A total of twenty-two plaques were awarded this year to network directors, medical center directors, and central office officials.

America's small business owners foster our Nation's economic growth and prosperity. The number of small businesses is growing rapidly -- during the last decade, more than 600,000 new firms have been created annually. Just last year, more small businesses were created than at any time in our country's history. Throughout this period, small businesses created most of the Nation's new jobs. Today, they employ nearly 60 percent of the country's private work force.

We would like to congratulate all those stations, who, show by their continued support, a commitment to the nation's small business community.

## FPDS Corner

by Lisa Russell

In FY 98, two new programs will be made available to contracting activities. One program will permit Contracting Officers to look up DUNS numbers on over 500,000 companies and their different offices that have been assigned DUNS numbers by Dun and Bradstreet. Another program has FPDS data on all Federal Schedule contracts awarded by VA, GSA, and Office of Personnel Management. Queries can be made by entering the contract number, if known, or entering the contractor's name. This function can be useful even if the Contracting Officer knows that the contract is not an FSS contract. For example, if the Tax Identification Number is needed for a delivery order placed under Company A's nonFS contract, and it is known that Company A has a FS contract, the Contracting Officer can enter "Company A" and retrieve the Tax Identification Number from the data.

## PRO-*Net*

### PROCUREMENT MARKETING AND ACCESS NETWORK

by Jim Dunning

Contracting officers do you need to research small businesses that can fulfill your requirements?

PRO-*Net* is your answer! PRO-*Net* is an electronic gateway of procurement information for and about small businesses. It is a search engine for contracting officers, a marketing tool for small firms and a "link" to procurement opportunities and important information. It is designed to be a "virtual" one-stop-procurement-shop.

PRO-*Net* is an Internet-based database of information on more than 177,000 small, disadvantaged, 8(a) and women-owned businesses. It is **free** to federal and state government agencies as well as prime and other contractors seeking small business contractors, subcontractors and/or partnership opportunities. PRO-*Net* is open to all small firms seeking federal, state and private contracts.

Businesses profiled on the PRO-*Net* system can be searched by SIC codes; key words; location; quality certifications; business type; ownership race and gender; EDI capability, etc.

#### Business Profiles

Business profiles in the PRO-*Net* system include data from SBA's files and other available databases, plus additional business and marketing information on individual firms. Businesses on the system will be responsible for updating their profiles and keeping information current. The profiles are structured like executive business summaries, with specific data search fields that are user-friendly and designed to meet the needs of contracting officers and others. Companies with "home-pages" can link their web site to their PRO-*Net* profile, providing contracting officers with direct access to company products and services.

#### A Link to Procurement Opportunities

As an electronic gateway, PRO-*Net* provides access and is linked to the Commerce Business Daily (CBD), agency home pages and other sources of procurement opportunities. The system is also linked to key sources of information, assistance and training.

The PRO-*Net* project is a cooperative effort among SBA's offices of Government Contracting, Minority Enterprise Development, Advocacy, Women's Business Ownership, Field Operations, Marketing & Customer Service, the Chief Information Officer, and the National Women's Business Council.

## Commercial Item Acquisition and Subcontracting

by Lynette Simmons

VA contracting activities are increasing their use of commercial item procedures. They are fast. Solicitation documents are much simpler and program officials like the ease of use. One thing to remember before making award is that subcontracting plans are still required when the thresholds in the Federal Acquisition Regulation are met. Generally, this means for awards exceeding \$500,000 or \$1,000,000 for construction. Subcontracting plans are also required when a contract modification exceeds or is expected to exceed \$500,000. If a large business is in line for award at this dollar value, the prime contractor shall agree that small business concerns, small disadvantaged business concerns and women-owned small business concerns will be utilized as subcontractors. In fact, there are legal requirements for minimum utilization (20% for small businesses, 5% for SDBs and 5% for women). FAR 19.704 outlines some specifics which must be included in the plan.

What is fairly recent, and very specific to commercial contracting, is that prime contractors may present the contracting officer either with a subcontracting plan which is specific to the requirement being awarded (this is known as an "individual subcontracting plan") or with a master commercial subcontracting plan. The commercial plan may be established on a division-wide or a plant-wide basis. It requires approval by a Federal contracting officer. Once approved, the plan is good for a 3-year period. If a VA contracting officer receives a plan approved by another Federal contracting officer, it is always advisable to review the plan to ensure it meets the minimum statutory requirements and is also compliant with the Federal Acquisition Regulation criteria for acceptable plans. If the VA contracting officer identifies deficiencies, VA must communicate with the contracting office that approved the plan. Changes required to revise or update the master commercial plan are not effective until approved by the contracting activity which approved the original plan. In the next issue, we'll review reporting requirements for individual and commercial plans and answer questions about assessing liquidated damages. These questions often arise in pre-bid conferences.

## SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM

by Sherra Berutto

As you have all heard, the Small Business Competitiveness Demonstration Program (affectionately called the Demo Program) has been extended indefinitely. The name is being changed to eliminate Demonstration from the title. I am sure most of us will still refer to it as the Demo Program. The major change for us will be the annual rather than quarterly monitoring of goal attainment so small business set-asides will remain in effect for an entire year. To determine our accomplishments, we have to wait until FPDS reports has been input (past allowable date is October 31, 1998). A report will be generated taking approximately two weeks to be received by our office. After review of the report, a determination will be made as to which categories will be set-aside for small business the following year. Until the new set-asides have been issued, facilities are to use the last report dated December 11, 1997. The Targeted Industry Categories (TICs) selected by VA will remain the same.

## VISN 15 Success Story

by Lisa Russell

The first step **Ms. Mary Bird**, Contracting Officer, Marion, IL, took in developing the Statement of Work for the VISN 15 mobile MRI/MRA solicitation was to contact each of the medical center's contracting staff. Ms. Bird requested they first identify their incumbent contractor, if applicable, and provide a copy of their statement of work. Because the plan was to solicit the requirements using commercial item format, a thorough review of the statement of work and discussions with the respective Radiology, IRM and other technical experts was imperative. The information received as a result led to the involvement led to the evolution of questions asked during market research and the eventual SOW used in the solicitation. Another goal of the market research was to determine if small businesses were capable of providing the services and if so, were multiple awards possible. Additionally, Ms. Bird considered the possibility for full or partial small business set-asides. VISN 15 covers a wide territory - southern Illinois, all of Missouri and Kansas. Several of the large businesses involved in the market research were confident there were no small businesses capable of providing coverage to such a large territory. However, the small businesses that were contacted indicated they had a fleet of mobile MRI/MRA vehicles that could provide the services and even offered subcontracting with other small businesses as a means of fulfilling our requirements. The decision was made to set the acquisition aside totally for small business competition. The solicitation mailing list included both large and small businesses. The Contracting Officer received telephone calls from one large business asking about the allowability of their subcontracting with a small business, which was determined by Ms. Bird to be unacceptable under a small business set-aside.

The Contracting Officer received six quotes from small businesses, two of them offering alternate proposals. The award was made to CHAPS Medical Imaging, Inc., of Middletown, WI.

## KUDOS to the NAC

### *Pharmaceutical Prime Vendor*

by Deborah Van Dover

The NAC's pharmaceutical team of highly dedicated and motivated individuals has been working very hard on the new solicitation for the Prime Vendor Program. These individuals are David Elizalde, Susan Massie and Jose Rodriguez. Working closely with the Office of Small and Disadvantaged Business Utilization, the Small Business Administration, their customers-the medical centers, and the industry itself, the NAC team drafted a complete package, which included Small Business Set-Asides for all of VISNs 6,7,11,12,15 and 16. This is quite a monumental undertaking, yet they did this. As is required with all small business set-asides, the NAC was required to request a waiver from the nonmanufacturer rule from the Small Business Administration. This waiver request was processed and supporting documentation included.

As the solicitation had already been issued, time was of the essence. On July 20, 1998, the Small Business Administration disapproved the waiver request, thereby effectively requiring the NAC to remove the set-aside portions. This was one day before the offers for the solicitation were due. NAC then amended the solicitation and re-issued it as a full and open procurement.

The loss of the set-asides was a deep one for the small business community. However, the NAC's actions reflect the talent, quality and commitment of this superior acquisition team.

## DID YOU KNOW

**Ramsey Alexander** of the OSDBU staff was invited to attend the 70th Grand Conclave of Omega PSI PHI Fraternity at their National Conference in New Orleans last month. There, he received the Distinguished Service Award for over forty years' worth of community service, dedication and commitment to scholarship. This international organization was created in 1911 to focus on outreach and community enrichment.

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Having a hard time identifying veteran-owned small businesses? Are you using VA's authorized SF 129 Solicitation Mailing List Application which includes the representation block for veterans? A lot of times vendors will send SF 129s they acquired from other agencies. Those forms do not include the VOB representation. Be sure to review the form and make sure you have captured this information.

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### FY 1998 Procurement Goals:

<b>Small Business</b>	<b>40%</b>
<b>Small Disadvantaged Business</b>	<b>8%</b>
<b>Women-owned Business</b>	<b>6%</b>
<b>Veteran-owned Business</b>	<b>7%</b>

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**VA is the only Federal agency to goal for veterans in business.**

## IN MEMORIAM

We sadly report last month's passing of **Jim Shumate**, Small Business Specialist, Office of Acquisition and Materiel Management. As an SBS representing VA's national Information Technology contracting office, Jim often addressed high technology vendors at conferences and trade shows, providing VA's strategy on very complex requirements in a demanding and highly competitive business environment. It was a joy to know him and to work with him

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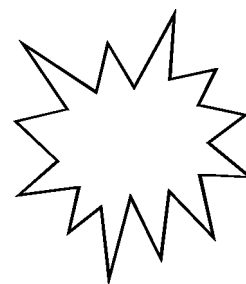
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## Rules, Regs, and Public Law

A provision was included in the proposed Defense Authorization Bill to increase the micro-purchase threshold from \$2,500 to \$10,000. The version of the bill which passed the House removed the original provision and replaced it with a requirement to study the matter. The Senate has not yet acted on the matter. This means the threshold will definitely not be raised next Fiscal year, but may resurface at a later date.



## IN THE NEXT ISSUE:

SDB Participation Program, PT 1  
Establishing Procurement Goals  
HCA Responsibilities

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This month's Editor and the person who worked laboriously to get this fabulous publication to you:

**Deborah Van**

